

Message Text

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PAGE 01 CARACA 04358 142204Z

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SUBJ: MAJOR PROJECT-BIO-PROTEIN PLANT

1. IN JUNE 1976, THE VENEZUELAN GOVERNMENT DECIDED TO ORGANIZE A CORPORATION THAT WOULD STUDY THE FEASIBILITY OF A BIO-PROTEIN PLANT IN VENEZUELA, TAKING INTO CONSIDERATION THE LOCAL DEMAND FOR SINGLE CELL PROTEINS (SCP) ESTIMATED TO REACH 191,000 TONS PER YEAR IN 1980.

2. THE COMPANY, KNOWN AS "BIO PROTEINAS DE VENEZUELA C.A.", WAS CREATED WITH A CAPITAL OF BS. 2. MILLION, AND THE FOUNDING PARTNERS WERE: CORPORACION VENEZOLANA DE PETROLEO (CVP) WITH A 60PERCENT PARTICIPATION; AFCA (ASSOCIATION OF MANUFACTURERS OF ANIMAL FEED CONCENTRATES) WITH 20 PERCENT, AND BRITISH PETROLEUM CO., WITH 20PERCENT.

3. THE FEASIBILITY STUDY WAS COMPLETED WITH THE ASSISTANCE OF BP AFFILIATE, BP PROTEINS LTD., AND IT WAS DECIDED TO CONSTRUCT THE PLANTS WITH THE FOLLOWING INVESTMENT:

N-PARAFFIN PLANT	\$(MILLION) 21.4
AUXILIARY PLANTS	12.5
PROTEIN PLANT	51.6
ENGINEERING, TRAINING, ADMINISTRATION, ETC.	24.0
TOTAL INVESTMENT	\$109.5

ACCORDING TO THE COMPANY'S MANAGEMENT, FUNDS ARE AVAILABLE TO
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PAGE 02 CARACA 04358 142204Z

ACCOMMODATE INFLATION UP TO A TOTAL OF \$158.9 MILLION.

4. AFTER THE GOV APPROVED THE FEASIBILITY STUDIES AND AUTHORIZED CPV TO INVEST PROJECT CAPITAL, BIO PROTEINAS SELECTED THE ENGINEERING COMPANIES TO DESIGN AND BUILD THE TWO BASIC PLANTS. THE N-PARAFFIN PLANT CONTRACT WAS AWARDED TO THE ITALIAN FIRM TECNIPETROL, FROM ROME; AND THE PROTEIN PLANT TO THE BRITISH AFFILIATE OF THE US. COMPANY STONE AND WEBSTER. CONTRACTS WERE RECENTLY SIGNED AND PLANT CONSTRUCTION IS EXPECTED TO BEGIN SOON. THE EQUIPMENT FOR THE PLANTS WILL BE PROPOSED BY THE CONTRACTORS. BIO PROTEINAS WILL NOT CONSIDER DIRECT PROPOSALS.

5. THE PLANTS ARE TO BE LOCATED IN PUERTO LA CRUZ, ESTADO ANZOATEGUI, IN VIEW OF THE PROXIMITY OF THE MENEVEN REFINERY AND THE FACT THAT CRUDES FROM THE EASTERN AREA HAVE THE HIGHEST PARAFFIN CONTENT. THE N-PARAFFIN PLANT WILL PROCESS 110,000 TONS OF GASOIL PER YEAR.

6. BIO PROTEINAS WILL BE THE FIFTH SCP PLANT COMPLETED WORLD-WIDE IN FOUR OF WHICH BP IS A PARTICIPANT. EVEN THOUGH CVP'S 60 PERCENT EQUITY MAKES THE GOVE THE MAJORITY STOCKHOLDER, BIO PROTEINAS IS TO OPERATE AS AN AUTONOMOUS CORPORATION. SHLAUDEMAM

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